Village-Level Modernization in Southeast Asia

The Political Economy of Rice and Water

edited by Geoffrey B. Hainsworth

VILLAGE-LEVEL MODERNIZATION IN SOUTHEAST ASIA

THE POLITICAL ECONOMY OF RICE AND WATER

edited by
Geoffrey B. Hainsworth

UNIVERSITY OF BRITISH COLUMBIA PRESS
VANCOUVER AND LONDON

VILLAGE-LEVEL MODERNIZATION IN SOUTHEAST ASIA

The Political Economy of Rice and Water

This book has been published with the help of a grant from the International Development Research Centre.

Canadian Cataloguing in Publication Data

Main entry under title:
Village level modernization in Southeast Asia

ISBN 0-7748-0156-5

1. Rural Development – Asia, Southeastern – Addresses, essays, lectures. 2. Villages – Asia, Southeastern – Addresses, essays, lectures. 3. Agriculture – Economic aspects – Asia, Southeastern – Addresses, essays, lectures. 4. Asia, Southeastern – Economic conditions – Addresses, essays, lectures. I. Hainsworth, Geoffrey B.
HN690.8.A8V54 330.595 C82-091111-9

International Standard Book Number 0-7748-0156-5

Printed in U.S.A.

Preface

The chapters in this volume originated as invited papers at the First International (9th Annual) Conference of the Canadian Council for Southeast Asian Studies, held at the Institute of Asian Research, University of British Columbia, November 9-11, 1979.[1] They have been revised for this publication, and represent the foundation phase for what it is hoped will be a significant extension of collaborative research, interaction and exchange between Canadian and Southeast Asian specialists on the problems of village-level development in Southeast Asia. The Second International CCSEAS Conference, organized with the Institute of Southeast Asian Studies, Singapore, is scheduled for June 21-24, 1982, in Singapore, with the theme "Village-Level Modernization: Livelihoods, Resources, and Cultural Continuity." It is being co-sponsored by the International Development Research Centre, the Canadian International Development Agency (N.G.O. Division), and the Social Sciences and Humanities Research Council of Canada, and is expected to result in a companion volume of selected studies on the impact of modernization at village-level, and how resources might be better managed and utilized so as to enhance livelihood opportunities at the local level in Southeast Asian societies.

The present collection of studies makes a contribution to what unfortunately is still a relatively neglected topic area, but one which is of critical importance to the majority of citizens in Southeast Asia (and the developing world in general). There is now a consensus among development economists, and others concerned with monitoring and understanding the process of modernization in "less developed countries" (LDCs), that the outcome is less assured and the repercussions considerably more complicated than was generally believed would be the case at the outset of the post-war Development Decades. Much of the dislocation of livelihoods, ecological fallout, social and political disruption, and heightened uncertainty which have been part of the concomitants have had their most dramatic impact at village-level, somewhat remote from the main sphere of interest and priority of the developers in the urban-industrial sector. But their

cumulative effect, both within the rural areas, and in the migration of people and their poverty problems into the urban areas, have made them impossible to ignore. The reevaluation of development strategies, and the search for solutions more sensitive to local needs and opportunities, has brought more attention to the situation of local communities, but we are still far from understanding the variety of circumstance and the diverse array of problems which are entailed. It is toward comprehending some of the dimensions of this diversity that the present studies are dedicated.

The individual studies were not commissioned specifically for this collection, but were selected by invitation from the many worthwhile efforts that are currently being made by research teams in various parts of Southeast Asia. Obviously, not all facets of the modernization process and its various local effects could be included, but overall the collection provides a remarkably balanced overview and representation of the array of problems which are urgently in need of further study. Much primary data and guides to methodology are included, along with major findings, to encourage critical appraisal, follow-up and comparative studies. It is hoped that the research forum and information network being established as a result of the subsequent conferences, workshops and other exchanges will initiate an accelerated and broadened effort of investigation, interaction and collaboration among social scientists, public officials and non-government agencies concerned with the problems and opportunities of village-level modernization.

Appreciation is expressed to the Canadian International Development Agency (N.G.O. Division) for enabling us to invite the main group of Southeast Asian participants to the Vancouver CCSEAS conference. We are also grateful to the Social Sciences and Humanities Research Council of Canada for assisting with the air fares of Canadian participants, and to the International Development Research Centre and the Department of External Affairs for facilitating the attendance of other participants. The generosity of the Leon and Thea Koerner Foundation and the Institute of Asian Research in subsidizing administrative costs is also acknowledged, as is the Museum of Anthropology and Department of Anthropology, U.B.C. in providing seminar rooms and other facilities. The Japan Society for the Promotion of Science and the Embassies, High Commissions and Consulates of Indonesia, Malaysia, Philippines, Thailand and Singapore are also thanked for assistance in facilitating representation at the conference. Financial assistance of the International Development Research Centre towards publication costs is also very much appreciated.

Finally, the editor would like to thank the contributors for coming to Vancouver and allowing their research work to be included, and also for

courteous forbearance and cooperation in what might have seemed in parts to be extensive intervention in reshaping presentations. Thanks are also due to many friends who read parts of the manuscript and made helpful suggestions.

Contents

Preface *vii*

1. Beyond Dualism? Village-level Modernization and the Process of Integration into National Economies in Southeast Asia 1
Geoffrey B. Hainsworth

2. A Fixation of Agricultural Policy in Indonesia: An Historical Perspective 27
Mubyarto

3. Changing Cultural Value Orientation of Javenese Peasants 43
Koentjaraningrat

4. Has Economic Growth Immiserized the Rural Poor in Indonesia? A Review of Conflicting Evidence 53
Swadesh R. Bose

5. Poverty Profiles and Levels of Living: A Case Study from Yogyakarta 71
Sartono Kartodirdjo

6. Rural Development and Rural Electrification in Indonesia: Problems of Helping the Poor in Developing Countries 85
Peter McCawley

7. Measuring Poverty in a Segmented Market: The Philippine Case 109
Edita A. Tan and Virginia Holazo

8. Recent Trends in Labour Utilization and Productivity in Philippine Agriculture with Comparisons to Other Asian Experiences 141
Randolph Barker

9. Technological and Institutional Response and Income Shares under Demographic Pressure: A Comparison of Indonesian and Philippine Villages 173
Masao Kikuchi and Yujiro Hayami

10. New Rice Technology: Its Effect on Labour Use and Shares in Rice Production in Laguna, Philippines, 1966-78 — 191
Violeta G. Cordova

11. Fertilizers for Rice: Who Wins, Who Loses? A Contribution to the Analysis of Dependency in Malaysia and Indonesia — 207
Rodolphe De Koninck and Lise Audet

12. Malaysia's Green Revolution in Rice Farming: Capital Accumulation and Technological Change in a Peasant Society — 225
Ishak Shari and Jomo Kwame Sundaram

13. The Prospects for Growth and Change in the Muda Project Region, Malaysia — 255
Clive Bell, Peter Hazell, and Roger Slade

14. Technology, Employment, and Income Interrelationships in Malaysian Fishing Villages — 277
Leo J. Fredericks and Harlan C. Lampe

15. Living Standards of Coastal Fishermen in Thailand: A Cross-Section Profile — 301
Theodore Panayotou, Kamphol Adulavidhaya, Supanee Artachinda, and Somporn Isvilanonda

16. Interplay of Tradition and Modernization in the Fishing and Tourism Industries of Thailand — 335
Amara Pongsapich

17. Socio-economic Conditions and Potential for Development: The Case of Three Hill Tribe Communities in Northern Thailand — 357
Supanee Artachinda

18. An Approach to Understanding Farmer Decision-Making Applied to the Adoption of Multiple-Cropping Technology in Chiang Mai Valley, Thailand — 383
Laxmi Ganjanapan

References — 395

1

Beyond Dualism? Village-Level Modernization and the Process of Integration into National Economies in Southeast Asia

GEOFFREY B. HAINSWORTH

Modernization, from a village-level perspective, means re-orientation of lifestyles and customary ways of doing things in response to opportunities and intrusions from "the outside world." It is a process of integration into a larger, national or international economy, but it also involves some disintegration of what had hitherto been familiar, if relatively basic, patterns of existence. Throughout most of Southeast Asia, modernization in this sense has been going on for centuries, especially in coastal zones exposed to trade winds and in those regions where colonial experience included plantations and the promotion of export crops in or alongside the village economy. Moreover, the present populations of Southeast Asian nations are predominantly descended from migrant peoples who, through necessity or choice, have continued to accommodate or absorb the impact of successive waves of alien culture that have swept through the region over the centuries.

Seldom, therefore, will villages be found completely isolated from outside influence, and it is often difficult to conceive what an hypothetical or ideal "initial state" of the village economy might have resembled in some earlier pristine form. In most cases of recorded history, modernization has no starting point; it only has phases of acceleration and periods of apparent slow-down, reversal, confusion, or consolidation. Since World War II, or for most countries since independence, and especially in the 1970's, the pace

of modernization at the village-level in Southeast Asia has abruptly quickened. From an economic standpoint, this process has involved a more thoroughgoing transformation of cultivation techniques, resource use and ownership, occupational structure and income distribution than probably occurred during any previous comparable period. These observable changes have been accompanied by less easily discernible shifts in attitudes and aspirations, in social relationships and village institutions, and in the whole ethos of family and community life. Taken to an extreme, logical or otherwise, such developments could eventually obscure the village as a composite unit of analysis for social scientists, as a relevant unit of administration for government, and as a meaningful social and psychological entity for those who reside there.

The following chapters examine aspects of this accelerated modernization as it affects the structure of production, employment, income distribution, and social relationships at the village-level, and between this and the national level, in a range of particular locations in Southeast Asia. The impact of modernization is analyzed from a range of social science viewpoints, and from different ideological and individual perspectives; contrasting views are expressed regarding the inevitability or malleability of the process and whether the outcomes are generally beneficial or regrettable. In the main, however, the contributions are factual and often detailed documentaries of recent developments in the respective regions. They provide a useful basis for comparisons and for subsequent research in an important topic area that concerns the future prospects for the majority of people in Southeast Asia and in similarly situated less developed countries.

Each contribution stands on its own, and those familiar with the region or the general nature of the problem will not need an introduction. The object of the following sections is not to summarize or synthesize conclusions, but simply to set the ideological and conceptual scene for those for whom this is an excursion into a novel realm of interdisciplinary interest.

MODERNIZATION AND THE IDEA OF PROGRESS

The familiar liberal-humanist rationale for modernization, emanating from centres of high civilization toward the periphery or frontier of development, is that it emancipates the individual personality, enabling a fuller realization of human potential. Modernization is supposed to accomplish this by widening world views, introducing new ideas, eliminating drudgery in the struggle for existence, and removing constraints of feudalism, superstition, or general benightedness of isolated primitivism. The idea of progress as a positivist, universalist, and cumulative process of societal

evolution and individual fulfilment has had an intoxicating effect upon men's minds since the Enlightenment.[1] But, at least since the time of Malthus, who reacted to its excessive optimism and idealism in the hands of Godwin, there have also been "dismal scientists" and other sceptics ready to cast doubts, not only on man's perfectibility, but also on the likelihood of being able to extend material plenty to all corners of the globe, particularly in the absence of calculated moral restraint upon the increase of his numbers.

The unleashing of energies and productive capacities, along with scientific optimism and entrepreneurial animal spirits, that we know as the Industrial Revolution did much to displace such doubts and reservations during the nineteenth century, in the outward rush of empire, free trade, and christian evangelism. This ebullient cosmopolitanism brought a mixed package of modernisms to most of the far corners, even if it did not universally uplift local living standards or notably enrich man's relationship to man. The idea of progress became increasingly transmuted into various forms of Social Darwinism, which gave intellectual justification, at least to some, for the boisterous and often predatory means by which "the spread of civilization" was accomplished.[2] In its more bizarre versions, it was even used to justify total extinction of more intractable or savage peoples inhabiting faraway lands to provide more living space for European settlement or to secure resources to sustain the centres of modernity and innovation.

Avoiding the task of evaluating the Balance Sheet of Empire from the viewpoints of various participants, we need only note that the idea of progress received a new lease of life after World War II in the euphoria of political independence of most colonial dependencies, and in the revolution of rising expectations and the urge to cater to them by the ex-colonial powers. The rediscovery of the idea of progress under the name development economics gave inspiration, purpose, and blueprints for the rush to modernization that has distinguished the last thirty years as a period of unprecedented performance in the growth of world output and trade, and even per capita incomes in country after country in "the developing world." Even prior to the OPEC-shock of 1973, however, increasing numbers of analysts (most graphically the Club of Rome 1972) were expressing concern about the ecological implications and likely limits of this exponential economic growth. There was also an increasing realization that the principal beneficiaries of this new surge in incomes and wealth were heavily concentrated in the upper strata of LDC societies, cities, and modern enclaves reminiscent in many ways to the old colonial establishments. It was also widely argued that simply accelerating and extending the same style of modernization would be an unlikely means for solving the persistent needs

and increasingly pressing demands of those still left in poverty.

The protracted worldwide recession of the 1970's has served to broaden scepticism regarding the likelihood of widespread improvement in levels of living in all parts of all countries and has prompted separate analyses of prospects for resource-rich LDCs and outlooks for those less fortunately endowed. There is diminished enthusiasm for development assistance and a more pragmatic and *realpolitik* appoach to the problems of persistent poverty, economic displacement and backwash effects of the continuing course of modernization and its concomitants around the world. The return of the dismal scientist's perspective has, in general, not slowed the impetus to development worldwide, in either the MDCs or LDCs, and most "experts" predict and hope for revived momentum in the 1980's.

Development economists have been unable to make many constructive and specific suggestions as to how efforts should be redirected or objectives reformulated in order to realize more of the agenda implicit in the idea of progress for the citizens of LDCs. They do, however, increasingly express doubts about the viability of the general rush to modernization, the relevance of MDC experience as a guide to its accomplishment, and respecting its importance relative to more pressing problems of securing national food and energy supplies, or combating the spreading blight of poverty and destitution in many parts of the world. Meanwhile, the "modernizing elites" in LDCs, and their "partners in development" from MDCs, will continue to blaze trails into the unknown, learning-by-doing and responding and adjusting to what unfolding modernization might mean for their societies. If only to reduce political uncertainty, the need to monitor and comprehend developments at the local level should be apparent. It is here that most people experience the immediate effects of modernization, and it is here that its success or failure as a general harbinger of economic progess must be assessed.

DIFFUSION AND DISPLACEMENT: THE DOMINANT PARADIGM

During the enthusiastic first decade or two of the renaissance of development studies (to about 1965), there was considerable consensus, even among conflicting ideologies, as to what it should entail. In economic terms, modernization meant industrialization, urbanization, mechanization, increased capitalization, occupational specialization, commercialization, growth in scale of the typical production unit, systematic application of science and technology to productivity enhancement, extension of markets, greater demographic and social mobility, and an increased tempo and pace of change to life in general. It was clear that per capita income should

increase, along with savings as a per cent of income, and it was generally expected that the distribution of income would become more unequal by recipient, region, and occupation, and between and within the urban and rural sectors, before it had a chance of becoming more equal. There were several other established tendencies about which there was broad concurrence. But, what was generally left very unclear was how modernization should be expected to arrive in the villages. Proper evaluation of the impact of modernization at the village level is thus made especially difficult because of lack of consensus as to what should happen.

It is not difficult to explain this lack of attention to village-level outcomes, at least amongst orthodox neoclassical economists, on the one hand, and orthodox Marxist economists, on the other. Both tended to look with some disdain or disinterest at indigenous agriculture and peasant economies which were expected to have diminishing importance relative to the modern urban-industrial sector, both as a source of output and as a means of employment. Eventually village-level subsistence agriculture would be replaced altogether by modern commercial agriculture, increasingly integrated with the urban-industrial and foreign trade sector almost to the point of being indistinguishable from it. Meanwhile, it was the leading sectors and growth points of the modern sector where the important action was, where capital had to be accumulated and efficiency maintained and upgraded, and where governments and aid agencies were most interested in understanding and promoting what might be possible.

More generally among exponents of the prevailing dominant paradigm, the process of modernization was pictured in terms of diffusion of ideas, know-how, equipment and modes of organization, emanating principally from the MDCs to centres of modernization in LDCs, and from there out into the underdeveloped hinterland, eventually to reach the periphery or far corners of the inhabited world. The end-state or objective involved convergence of living standards and ways of doing things (in all aspects of economic, social, political, and individual endeavour) to some universal ideal of optimal efficiency and rationality, with the best example, thus far achieved, observable in contemporary arrangements in the United States of America. This global ebullience was probably a natural outcome of postwar euphoria and U.S. leadership in providing aid for reconstruction and development, tempered by increasing Cold War determination to win hearts and minds in newly independent nations. It certainly received phenomenal intellectual support from virtually all quarters of establishment social sciences extending their interests into the new realms of development studies. Daniel Lerner (1958) did much to pioneer this confident approach to institutional prescription, closely followed by Hirschman's (1958) industrial leading sector strategy, Chenery's (1960) patterns of industrial

growth, Rostow's (1960) non-communist manifesto for takeoff, Kuznet's (1959, 1966) requirements for modern economic growth, Almond and Coleman's (1960), Shils' (1961) and Apter's (1967) recipes for political modernization, Hoselitz (1960) and Hoselitz and Moore's (1963) schema of socio-economic correlates of modernization, Parson's (1966) pattern variables and phases of needs, McClelland's (1961) and Hagen's (1962) psychological diagnoses of need for achievement and entrepreneurial motivation, Kerr's (1964) generalizations on the nature of industrial man, and Schultz's (1964) perspectives on what it would take to transform traditional agriculture, among hundreds of other contributions. Weiner (1966) and Lerner & Schramm (1967) sought to pull it all together by visualizing diffusion of modern values as a challenge in communications; and, while many contributors to Shramm & Lerner (1976) acknowledged that outcomes were somewhat askew from advertised expectations and that the message for the Second Development Decade was less clear and optimistic, Lasswell, Lerner & Montgomery (1976) reiterated confidence in the way Asian values and institutions were changing to accommodate modernization impulses and how these societies were moving towards convergence with a global development model.[3]

Most of these writers recognized that "the great transformation" would not be painless or distributively acceptable (Pareto optimal) at every stage, but they had no doubt that it was generally beneficial in its ultimate expected outcome. In any case, the move to modernization was historically inevitable, and, once begun beyond a certain point, inexorable and irreversible. The main problem was to find the appropriate escape path from the trammels of traditional arrangements which were seen as impediments to the emerging will to develop (Lewis 1955). Evidence of disintegration of customary arrangements and breakdown of archaic values were generally good signs, marking emergence into a transitional stage. Full emergence from the cocoon would require a big push (Nurkse 1953), or critical minimum effort (Leibenstein 1957), to escape the low-level equilibrium trap (Nelson 1956), to pass the threshold or turning point or commercialization point (Ranis-Fei 1961), to achieve take-off (Rostow) or successful transition to modern economic growth (Kuznets). While the specific content of this effort was generally left rather vague, attaining sufficient impetus and proper direction at the outset was seen to involve stepped-up government initiative, both to mobilize resources from society at large, to promote strategic investments and growth points, and also to administer the foreign aid and secure the foreign investment that was called for to transform the structure of production.

Because the costs of economic growth were likely to become apparent before the fruits were available for general distribution, a strong govern-

ment would also be necessary to contain the conflicts, to elevate national interests above sectoral and factional concerns, and to maintain the stability and law and order needed for investment security and public confidence in long-term development objectives. The initial charismatic leadership in most newly independent nations was able to sustain this for some time, but the continual postponement of the pay-off to progress inevitably eroded the credibility of political promises and Five-Year Plans in most LDCs by the time of the Second Development Decade.

The breakdowns of modernization (Eisenstadt 1966) required for social mobilization (Deutsch 1961) were now recognized as not only cracking the crust of tradition, but also as creating prismatic societies (Riggs 1964) and possibly signaling political deterioration and decay (Huntington 1965). The ambiguity of outcomes in the transitional phase (from known origins to unknown destination) also gave pause for thought to economists and other social scientists observing the unfolding drama. Myrdal (1968), after exhaustive examination of the Asian context, attributed the failure of the modernization ideals largely to the soft states and ethnic pluralism which colonialism had helped create. Mishan (1967) and others lamented the obsession with economic growth and the underestimation of its costs. Ecologists such as Ehrlich and Ehrlich (1970) and demographers such as Berelson (1974) blamed excessive population increase. Goulet (1971), Schumacher (1973), and Illich (1973) suggested the need for a wholly new morality and purpose for economic activity, while Chenery et al (1974) hoped the problem could be cured by redirecting some of the annual increment from economic growth to poverty-alleviating capital formation. There was no shortage of other diagnoses and suggestions for re-orienting priorities, including several for reshaping the whole international economy. As its contribution to narrowing polarities, the World Bank undertook to support more agricultural projects, to promote "decentralized industrialization" and to search for more "integrated rural development" strategies (McNamara 1973, World Bank 1975).

DUALISM AND DEPENDENCY: PARADIGMS IN CONFLICT

Since Boeke (1942, revised 1953) identified the phenomenon under Dutch colonial administration, the concept of dualism has been prominent in economic explanations for the uneven spread of modernization in LDCs. Boeke saw it as a "form of disintegration" occasioned by the onslaught of a superior socio-economic system (usually high capitalism, though it could be socialism or communism) upon a traditional society which had made a more or less optimal adjustment of its productive capacities to the environment in which it was functioning. Prospects for diffusion of modernization throughout the

indigenous economy, and its transformation into a Western-type society, seemed very remote because of limited "Oriental" economic needs, inadequate motivation, restricted world view, and inappropriate business acumen. His conclusion was that: "social-economic dualism, far from being considered as a passing phase, the termination of which may be hastened considerably by a western policy of integration, must be accepted as a permanent characteristic. . . it is to be hoped that with the obtaining of national sovereignty the true character of economic dualism will be acknowledged sincerely and logically, for its negation is decidedly not in the interest of the small man."[4]

This perspective was bound to be suspect and its advice rejected as hopelessly patronizing and gratituitous in the flush of confident expectations accompanying national independence, and it was similarly dismissed as ethnocentric by most social science commentators. The idea of duality, however, lived on in economic modelling (for example, Ranis and Fei 1961, Jorgensen 1961, Fei and Ranis 1964), and in thinking about the obstacles and requirements for transition to modernization. The dichotomy was still between traditional and modern, but was more often formulated in terms of agriculture vs. industry, rural vs. urban, inward- vs. outward-looking strategies, balanced vs. unbalanced growth, labour-intensive vs. capital-intensive technology, and equity vs. growth. (cf. Meier 1964, 1970, 1976). Each of these debates had its own particular connotation, which went beyond the simple dualism envisaged by Boeke, but in retrospect they can be seen to have shared a common analytical core in the conflict of paradigms between an evolutionary development, conceived of as an attempt to enhance and build upon what the country had inherited as its indigenous socio-economic and cultural structure, and an accelerated modernization, based upon catching up and more closely emulating the MDC societies and building increasing interdependencies with the world market economy.

A major problem in clearly formulating a choice of strategy was that, whereas the modernization paradigm was relatively well articulated, and its basic rules and blueprint spelled out, the alternative development path was not so clear. It more often resembled a cacophony of suggestions, often intuitively appealing and humanistic, but charting a whole maze of seemingly random walks into the unknown in pursuit of the idea of progress. Even China failed to offer a practical guide to the whole journey, although, in terms of meeting basic material needs, it remained inspirational and suggestive to many idealists searching for another development paradigm.

Critics of the modernization paradigm are more effective in exposing its shortfalls and contradictions than they are at suggesting reformist strategies. Orthodox Marxist critics are in somewhat of a quandry in that (a) the road to socialism and communism is supposed to be found through full development

of capitalism, not through its premature or contrived collapse, and certainly not by preserving archaic social arrangements, (b) reformism only serves to delay the revolution, and (c) Maoist revisionism, even if acceptable, does not give a fully articulated dialectic model to explain the short-circuiting of Marx's historical sequence from feudalism (or pre-feudalism) to socialism. Several "free thinking Marxists" or "neomarxists" have devised special theories of peasant revolt to explain particular manifestations, but they have not as yet provided a predictive model or a theory of pre-capitalist proletarian consciousness.

An alternative line of criticism, again better disposed to define the problem than prescribe the remedy, is that built upon theories of imperialism, in particular the dependency (or *dependencia*) paradigm. Gunder Frank, Celso Furtado, Osvaldo Sunkel, A. Emmanual, I. Wallerstein, and Samir Amin are among those that have led the way in developing various lines in this perspective (mainly in reference to Latin America, though the ideas are of general application).[5] Capitalist penetration is viewed, not as an emancipating harbinger of rising incomes and enhanced opportunities, but as an enslaving control mechanism devised for the ever more efficient extraction of the surplus and for subjugation of the world economy to the interests of the capitalist ruling elite in the metropoli (arranged hierarchically with the apex most likely located in the New York Board Room of the Chase Manhattan Bank). The only hope for remission from complete global domination lies with slippage in the monolithic bureaucratic network, possible collapse at the center due to power struggles, or orthodox rebellion of the educated proletariat spearheaded by the jettisoned lower bourgeoisie in the MDCs, rather than arising from any grass-roots rebellion in the LDCs. Opting for self-determination and autarky at the national or local level (for example, Burma) is rarely feasible and carries and stigma of technological stagnation. The only other alternative is multilateral collective bargaining for a New International Economic Order, which again removes the focus from intra-national choice of strategy and the issue of the appropriate approach to modernization at the village level.

Both Marxist and dependency theorists, however, interpret the local impact of modernization in a more baleful perspective than do modernization theorists or orthodox (neoclassical) economists. Virtually everyone now expects there to be disruption and some immiserization among dislocated groups, but the neoclassicists see this as transitional, while the radicals see it as systemic and intentional and probably permanent so long as capitalism remains ascendant.